

## Message Text

CONFIDENTIAL POSS DUPE

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73

ACTION XMB-04

INFO OCT-01 EUR-12 EA-07 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 L-03 PA-01 PRS-01

SS-15 NSC-05 /089 W

----- 096634

R 232214Z FEB 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 8891

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION OECD PARIS UNN

AMEMBASSY ROME

AMEMBASSY TOKYO

C O N F I D E N T I A L OTTAWA 0714

DEPT PASS TREASURY AND EXIM BANK

E.O. 11652: GDS

TAGS: EFIN, ETRD, CA

SUBJ: EXPORT CREDIT GENTLEMEN'S AGREEMENT

1. JOHN MACDONALD, PRESIDENT, EXPORT DEVELOPMENT CORPORATION, TOLD ECON COUNSELOR AT SOCIAL GATHERING FEBRUARY 18 THAT HE IS VERY NEGATIVE ON GENTLEMEN'S AGREEMENT. HE SAID DOWN PAYMENT MINIMUMS ARE STEP IN RIGHT DIRECTION BUT INTEREST RATE MINIMUMS ARE SO LOW AS TO BE ALMOST MEANINGLESS AND ACCEPTANCE OF MATURITY MAXIMUMS WOULD TIE CANADA'S HANDS IN "ONLY AREA WHERE IT HAS ANY LEVERAGE" WITHOUT ANY CORRESPONDING ADVANTAGE. MACDONALD SAID HE DOES NOT GO ALONG WITH VIEW THAT SOME AGREEMENT IS BETTER THAN NONE AND EXPRESSED SURPRISE THAT EX-IM BANKS HAD  
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"CHANGED ITS MIND" ON THIS.

2. PETRIE, ITC CONFIRMS THAT MACDONALD HAS BEEN TAKING SAME LINE IN GOC INTER-GENCY MEETINGS WITH RESULT THAT PAPERS BEING PREPARED FOR MINISTERIAL CONSIDERATION HAVE HAD TO BE REVISED TO REFLECT EDC POSITION. PETRIE SAID IN HIS VIEW EDC POSITION MADE NO SENSE AND HE EXPRESSED SOME CONFIDENCE THAT MINISTERS WOULD OVERRULE MACDONALD AND ACCEPT RECOMMENDATION THAT CANADA SHOULD ACCEPT AGREEMENT.

3. IN VIEW OF PAST AND CONTINUING CLOSE RELATIONSHIP BETWEEN TWO INSTITUTIONS, WASHINGTON MAY WISH TO CONSIDER WHETHER INFORMAL DIRECT APPROACH BY EX-IM TO EDC MIGHT BE HELPFUL IN REMOVING EDC OBJECTIONS AND IMPROVING CHANCES OF FAVORABLE GOC DECISION. ENDERS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, EXPORTS, CREDIT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976OTTAWA00714  
**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760068-0348  
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**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 MAR 2004  
**Review Event:**  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXPORT CREDIT GENTLEMEN'S AGREEMENT  
**TAGS:** EFIN, ETRD, CA, EXPORT DEVELOPMENT CORPORATION, (MACDONALD, JOHN)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006